

6 November 2019

## **Rutherford Health PLC**

### **Interim Accounts 31 August 2019**

Rutherford Health plc (the "Company", or the "Group"), the holding company of a group committed to providing innovative cancer care of the highest quality, is pleased to announce today its interim results for the 6 months ended 31 August 2019.

#### Key highlights

- Revenues up 70% to £2.5m versus the prior year total and almost doubling of turnover compared with the previous six months, with further growth projected through H2 2019;
- Revenues in H2 will be further boosted by the broadening of the indications for Proton Beam Therapy ("PBT") treatment to support lung, liver and pancreatic cancers;
- NHS contracts won for imaging and systemic anti-cancer therapy ("SACT") in England & Wales;
- 3 proton therapy centres fully operational with strong pipelines developing;
- During the period under review, received £35m equity injection, repaid £25m debt and negotiated a £20m facility with a new provider on more attractive terms which was agreed on 17 October 2019;

The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

The directors of Rutherford health plc accept responsibility for this announcement.

#### Contacts:

##### **Rutherford Health plc**

Michael Moran, Chief Executive Officer

Tel: +44 (0) 16 3381 0661

##### **Grant Thornton (Corporate Adviser)**

Tel: +44 (0) 20 7383 5100

Colin Aaronson/ Jamie Barklem/ Niall McDonald

##### **Media House International**

Ramsay Smith

07788 414 856 or 0207 710 0020  
ramsay@mediahouse.co.uk

## Chief Executive Officer's Statement

I am pleased to present the interim results for Rutherford Health PLC for the six months ending 31 August 2019.

We continue to see growth in patient numbers across all service lines, being imaging, systemic anti-cancer therapy, immunotherapy, conventional radiotherapy, and Proton Beam Therapy ("PBT") something that will be further boosted by the broadening of the indications for PBT treatment to support lung, liver and pancreatic cancers.

We have continued to work with NHS Wales and NHS Trusts in England and Wales to support treatment for NHS patients throughout the Rutherford Network of Centres. NHS contracts were won for imaging and systemic anti-cancer therapy ("SACT") in England & Wales.

Proton Beam Therapy became available in the Rutherford Cancer Centre North East in June 2019, and in the Rutherford Cancer Centre Thames Valley in August 2019. The company now has three fully operational Cancer Centres.

Construction of the Rutherford Cancer Centre North West is developing at a pace and, subject to funding, remains on target to deliver conventional treatments in 2020, and Proton Beam Therapy from 2021.

### Financial Results

The first six months of FY 2020 have seen an acceleration in the commercialisation of the business with revenues of £2.5m, compared to FY 2019's total revenue of £1.5m, an increase of 70%. Compared with the six months ended 28 February 2019, revenues have increased by almost 100%.

Operating costs have increased in the period as a result of the commissioning of Proton Beam Therapy in both the Rutherford Cancer Centre North East and the Rutherford Cancer Centre Thames Valley. As a result the loss for the period increased to £14.9 million.

Revenue is expected to continue to increase now that three centres are fully operational and patient numbers increase. Finance costs will reduce substantially in the second half.

### Finances

On 28 February 2019, the Company was admitted to trading on the NEX Exchange Growth market as Proton Partners International Limited, raising £20m on admission. On 16 August 2019, the Company was re-registered as a public limited company under its new name of Rutherford Health PLC.

Our largest shareholder continued to support the business with further equity injections of £35m in H1 with a further £12.5m received in early September.

The company achieved repayment of both outstanding loan facilities in the period, in preparation for a re-financing process. This led to a one-off charge to the income statement of £1.4m in relation to loan arrangement fees that were being amortised in line with the original term of the loan.

On 17 October 2019 the Company announced that it had secured a new debt facility for £20m with Triple Point, the specialist impact investment manager. £10m of this was drawn down upon signing of the agreement, with the second £10m being available on the first anniversary of the facility subject to meeting performance criteria. The terms of the restructured debt are significantly improved on the previous debt facilities, with the agreement lasting for five years, with an initial interest rate of 6.25%. The funds will be used primarily to provide working capital for the Group.

### Board Changes

The Company would like to express its gratitude to Paul Tuson who stepped down from the Board on 27 August 2019. Paul had a substantial role in the development of the Company, and we wish him well in his future endeavours.

As announced on 23 September 2019, the board was delighted to welcome Tim Irish as a non-executive director. His knowledge of the healthcare sector will be invaluable as we expand the business further.

The Company anticipates strengthening the Board further over the coming months.

### Outlook

The Company continues to have a strong pipeline of patients coming through and expect to continue to grow revenue over the coming months. The focus is now on developing the pipeline of patients while managing our costs to achieve a sustainable, long-term business.

We would like to thank all our shareholders for their continued support. It is an exciting time for Rutherford Health PLC, and we look forward to delivering on the Group's potential.

Mike Moran MBE

Chief Executive Officer

## Unaudited Consolidated Statement of Total Comprehensive Income Six Months ended 31 August 2019

	Unaudited 6 months to 31 August 2019 £'000	Unaudited 6 months to 31 August 2018 £'000	Audited 12 months to 28 February 2019 £'000
	Note		
<b>Revenue</b>	<b>2,497</b>	197	1,465
Cost of sales	(2,424)	(1,107)	(2,872)
<b>Gross (loss)/profit</b>	<b>73</b>	(910)	(1,407)
Administrative expenses	(12,507)	(7,225)	(17,718)
<b>Operating loss</b>	<b>(12,434)</b>	(8,135)	(19,125)
Finance income	—	—	—
Finance expense	(2,480)	(1,033)	(2,393)
<b>Loss before taxation</b>	<b>(14,914)</b>	(9,168)	(21,518)
Income tax credit	4 31	1,785	3,253
<b>Loss for the financial year</b>	<b>(14,883)</b>	(7,383)	(18,265)
Fair value loss on investment	—	—	(4,163)
<b>Total comprehensive loss</b>	<b>(14,883)</b>	(7,383)	(22,428)
<b>Earnings per share</b>			
Basic and diluted earnings per share (pence)	6 (9.3)	(5.9)	(17.4)

## Unaudited Consolidated Statement of Financial Position

As at 31 August 2019

	Unaudited 6 months to 31 August 2019 £'000	Unaudited 6 months to 31 August 2018 £'000	Audited 12 months to 28 February 2019 £'000
	Note		
<b>Non-current assets</b>			
Intangible assets	420	—	541
Property, plant and equipment	140,857	123,426	137,014
Investments	—	4,163	—
Deferred tax asset	4 6,041	4,543	6,041
<b>Non-current assets</b>	<b>147,318</b>	132,132	143,596
<b>Current assets</b>			

Trade and other receivables	4,937	5,715	6,915
Current tax receivable	—	31	—
Cash and cash equivalents	773	3,438	20,589
<b>Current assets</b>	<b>5,710</b>	<b>9,184</b>	<b>27,504</b>
<b>Total assets</b>	<b>153,028</b>	<b>141,316</b>	<b>171,100</b>
<b>EQUITY ATTRIBUTABLE TO THE COMPANY'S EQUITY HOLDERS</b>			
Called up share capital	173	129	152
Share premium account	157,595	122,476	157,928
Fair Value reserve	(4,163)	—	(4,163)
Retained Earnings	(15,336)	(24,799)	(35,507)
<b>Total equity</b>	<b>138,269</b>	<b>97,806</b>	<b>118,410</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	705	24,236	24,515
<b>Current liabilities</b>			
Trade and other payables	14,054	19,274	28,175
<b>Total liabilities</b>	<b>14,759</b>	<b>43,510</b>	<b>52,690</b>
<b>Net equity and liabilities</b>	<b>153,028</b>	<b>141,316</b>	<b>171,100</b>

## Unaudited Consolidated Statement of Changes in Equity

### Six months ended 31 August 2019

	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Fair Value reserve £'000	Total £'000
<b>AT 1 MARCH 2019</b>	<b>152</b>	<b>157,928</b>	<b>(35,507)</b>	<b>(4,163)</b>	<b>118,410</b>
Loss for the period	—	—	(14,883)	—	(14,883)
<b>TOTAL COMPREHENSIVE EXPENSE FOR THE PERIOD</b>	<b>—</b>	<b>—</b>	<b>(14,883)</b>	<b>—</b>	<b>(14,883)</b>
Proceeds of share issues	21	34,997	—	—	35,018
Less costs of share issues	—	(330)	—	—	(330)
Capital Reduction	—	(35,000)	35,000	—	—
Share-based payments	—	—	54	—	54
<b>TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS</b>	<b>21</b>	<b>(333)</b>	<b>35,054</b>	<b>—</b>	<b>34,742</b>
<b>AT 31 AUGUST 2019</b>	<b>173</b>	<b>157,595</b>	<b>(15,336)</b>	<b>(4,163)</b>	<b>138,269</b>

### Six months ended 31 August 2018

	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Fair Value reserve £'000	Total £'000
<b>AT 1 MARCH 2018</b>	<b>121</b>	<b>111,309</b>	<b>(17,416)</b>	<b>—</b>	<b>94,014</b>
Loss for the period	—	—	(7,383)	—	(7,383)
Fair value loss on investment	—	—	—	—	—
<b>TOTAL COMPREHENSIVE EXPENSE FOR THE PERIOD</b>	<b>—</b>	<b>—</b>	<b>(7,383)</b>	<b>—</b>	<b>(7,383)</b>
Issue of shares	8	11,492	—	—	11,500
Less costs of share issues	—	(325)	—	—	(325)
Share-based payments	—	—	—	—	—
<b>TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS</b>	<b>8</b>	<b>11,167</b>	<b>—</b>	<b>—</b>	<b>11,175</b>
<b>AT 31 AUGUST 2018</b>	<b>129</b>	<b>122,476</b>	<b>(24,799)</b>	<b>—</b>	<b>97,806</b>

## Unaudited Consolidated Statement of Cash Flows

### Six months ended 31 August 2019

Unaudited 6 months to 31 August 2019	Unaudited 6 months to 31 August 2018	Audited 12 months to 28 February 2019
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	£'000	£'000	£'000
<b>Loss before income tax</b>	<b>(14,914)</b>	(9,168)	(21,518)
Adjustments for:			
– Depreciation and amortisation	2,735	1,498	3,664
– Finance income	--	--	--
– Finance costs	2,479	998	2,393
– Non-cash employee benefits expense – share-based payments	62	--	174
<b>Changes in working capital</b>			
– Trade and other receivables	1,978	1,495	295
– Trade and other payables	(14,121)	7,455	16,357
<b>Cash flows from operating activities</b>	<b>(21,781)</b>	2,278	1,365
Income taxes received/(paid)	31	43	43
Net cash generated from/(used in) operating activities	<b>(21,750)</b>	2,321	1,408
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	(6,940)	(26,858)	(42,322)
Purchase of intangibles	--	--	(39)
Disposal of property plant and equipment	482	16	304
Interest received	--	--	--
Net cash used in investing activities	<b>(6,458)</b>	(26,842)	(42,057)
<b>Cash flows from financing activities</b>			
Net proceeds from issue of shares	34,688	11,175	45,968
Net (outflow)/proceeds of loans	(25,224)	10,865	10,519
Lease payments	(71)	(86)	(92)
Interest paid	(1,001)	(690)	(1,852)
Net cash generated from financial activities	<b>8,392</b>	21,264	54,543
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(19,816)</b>	(3,257)	13,894
Cash and cash equivalents at the start of the period	20,589	6,695	6,695
<b>Cash and cash equivalents at the end of the period</b>	<b>773</b>	<b>3,438</b>	<b>20,589</b>

## Notes to the Financial Statements

### 1. General Information

Rutherford Health plc (hereinafter the 'Company', and together with its subsidiaries, the 'Group') is a public limited company incorporated and domiciled in the United Kingdom. The registered office of the Company is 15 Bridge Street, Hereford, HR4 9DF. The registered company number is 09420705.

The Group's principal activity is that of developing cancer centres including Proton Beam Therapy, together with facilitating the provision of clinical treatment.

### 2. Accounting policies

The principal accounting policies applied in the preparation of these financial statements are as set out in the Company's financial statements for the financial year ended 28 February 2019.

### 3. Basis of preparation

The interim accounts, which have not been audited, have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS), IFRIC Interpretations and the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention, except in the cases specifically mentioned in these notes. The financial statements are also prepared on a going concern basis.

### 4. Tax

The carrying value of deferred tax will be agreed at year end.

### 5. Capital Commitments

As at 31/08/19 Capital Commitments stood at £51.5m. £8.5m of this falls due within twelve months of the reporting date.

### 6. Earnings per share

	Unaudited 6 months to 31 August 2019	Unaudited 6 months to 31 August 2018	Audited 12 months to 28 February 2019
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	<b>160,814,162</b>	125,387,664	128,758,285
Total comprehensive loss for the period	<b>£14,883,000</b>	£7,383,000	£22,428,000
Basic and diluted earnings per share (pence)	<b>(9.3)</b>	(5.9)	(17.4)

## 7. Post Balance Sheet Events

On 16 September 2019 the Company issued 7,102,273 shares for £1.76 each, resulting in a cash injection of £12.5m.

On 17 October 2019 the Company agreed a new £20m debt facility with Triple Point.

## 8. Auditor Review

These Interim statements have not been reviewed by the Company's Auditor.